



General Assembly

January Session, 2013

Committee Bill No. 313

LCO No. 2661



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Referred to Committee on BANKS

Introduced by:
(BA)

**AN ACT PROHIBITING MORTGAGE LENDERS FROM IMPOSING
ESCROW FEES ON BORROWERS WHO DO NOT ESCROW
PROPERTY TAXES OR INSURANCE.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective October 1, 2013*) No mortgagee, as defined
- 2 in section 36a-671 of the general statutes, that does business in this
- 3 state or holds or purchases a mortgage secured by property in this
- 4 state, shall impose an escrow fee on a mortgagor if the mortgagee does
- 5 not receive and hold in escrow funds from such mortgagor for the
- 6 subsequent distribution to others, including, but not limited to, the
- 7 payment of taxes or insurance.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2013</i>	New section
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Statement of Purpose:

To prohibit mortgage lenders from imposing escrow fees on borrowers who do not escrow property taxes or insurance.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. MCKINNEY, 28th Dist.

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